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## Improving Financial and Personnel Management At PetsFirst! Wellness Center

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# **IMPROVING FINANCIAL AND PERSONNEL MANAGEMENT AT PETSFIRST! WELLNESS CENTER**

by

**Andrew Arveseth**

**Internship paper submitted in partial fulfillment  
of the requirements for the degree**

of

**DEPARTMENTAL HONORS**

in

**International Business  
in the Department of Management**

Approved:

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**Introduction**

As part of my coursework in the Jon M. Huntsman School of Business, I was able to participate in a management internship at PetsFirst! Wellness Center. This internship provided me with the opportunity to really evaluate and understand multiple elements of a management position. I specifically focused on client incentives, cost management, and human resources during the course of my internship project at this veterinary clinic. My responsibilities in each of these business functions helped me develop the skills necessary to effectively hold a management position after graduation.

**Client Incentives**

The first project I worked on for my internship concerned the relationship PetsFirst! has with its client base. In an effort to increase client compliance with veterinary recommendations for pet health, I facilitated improved client perceptions of veterinary care through the creation of annual treatment packages. Next I worked on providing incentives to existing clients who were willing to refer their family and friends to the clinic. Lastly, I created a survey for clients where they could offer feedback for the services they received. These efforts allowed me to strengthen the standing of PetsFirst! Wellness Center in the Box Elder community.

I worked with my supervisor to create annual treatment packages for puppies and kittens. The treatment package includes all the essential wellness options for the first year of a puppy or kitten's life (including a spay or neuter procedure). The plans offer all included services at a 10 percent discount; however, they include many services that some clients opt out of for their pets. The structure of these plans directly enabled the veterinary staff to provide patients with optimal veterinary care without worrying about client objections to anything that might increase the cost of their visit. Because comprehensive veterinary care is expensive, a key component of the

wellness packages is the option of monthly payments, which allows pet owners to pay for their pet's medical expenses in small installments rather than in a lump sum.

I also created a client incentive program for referrals. Every time a client refers someone to the clinic, they receive a gift certificate to another local business in the Brigham City area. The partnering businesses are happy to participate, and clients are grateful for the extra attention they receive from the clinic. Providing clients with a reason to share positive experiences about PetsFirst! increases the likelihood of new clients entering the clinic's front door, especially in a community where the majority of pet owners select a veterinary clinic based on word-of-mouth information.

Finally, I developed a comprehensive online survey that incorporated various elements of the clinic's services. The client satisfaction survey was sent by email to all clients. It was also available on the PetsFirst! Wellness Center Facebook page and in the clinic lobby. Responses to the survey have included useful information about clinic employees, payment procedures, medical services, and even the cosmetic appearance of the facility.

While striving to improve the clinic's customer satisfaction ratings through these various strategies has certainly had a positive impact on the business as a whole, it has specifically changed the perceptions of many current employees toward the company. The wellness packages have added to the legitimacy of medical recommendations made by PetsFirst! veterinarians while simultaneously reducing the impact of medical service costs. The cost of additional services beyond a standard wellness visit no longer inhibits staff members from offering these services to clients. Additionally, staff members are now validated when new clients are referred to the clinic, because these referrals indicate the positive experiences of past clients. Employees are also more cognizant of how their actions affect the clinic as a whole after seeing results from the client

survey. Ultimately, the client programs initiated through my internship have given PetsFirst! staff members an opportunity to education clients about the benefits of comprehensive medical care, improving client compliance.

## **Cost Management**

The second objective I was asked to fulfill in my management internship concerned effective cost management. My responsibilities included correcting and maintaining capital expenditures. In order to do so, I facilitated the sharing of financial information with the entire management team so that decisions regarding the future of the company could be made successfully. Additionally, I began work on an inventory management system that would allow the clinic to reorder inventory items through an automated process. These projects enabled me to stabilize the company's expenditures, thereby improving the clinic's bottom line.

In order to effectively correct and maintain capital expenditures, I had to get to the foundation of the clinic's finances. Until the beginning of my internship, the practice manager had access to all the financial information for the clinic, but she did not proactively share this information with the rest of the management team. After a discussion regarding the financial health of the company, we were able to identify areas where capital could be freed up and reinvested in the business. We ended up purchasing both new lab equipment and a new server. These purchases enabled the clinic to greatly improve the quality of service it provided to clients.

I also did significant work on an inventory management system. I completely overhauled the ordering protocol for pet food, pharmaceutical, and preventive medicine orders using methods I learned in an operations management class that focused on lean inventory. Through the new inventory system, inventory items could be tracked automatically, and purchase orders would be generated for items that fell beneath a set reorder level. These reorder levels were

based on inventory sales data from the previous year. My work has decreased the costs of weekly orders while increasing the accuracy with which we keep the correct products in stock.

Through more effective cost management, PetsFirst! was able to benefit immensely. Not only was the company able to purchase new lab equipment and a server, freeing up capital and managing inventory effectively has resulted in the most stable fiscal year on record in terms of growth. The company has not grown as quickly as it has in the past, but the month-to-month growth has been steadier compared to previous years. Furthermore, there have been far fewer months that have dropped significantly below the average sales range than there have been in past years.

## **Human Resources**

The final aspect of my management internship at PetsFirst! Wellness Center involved the creation of a plan for improved human resources management. An important element of this plan was the implementation of a skills-based raise system meant to incentivize employees to continually improve their medical knowledge. Working on this raise system provided me with a much more fundamental understanding of the difficulties that can arise in personnel management.

Compensation is an important part of any job, and efficiently compensating employees for the work they perform is extremely important for any company that desires to retain its workers. At the time of my interview at the clinic, there had not been a raise for any employee since the financial crisis beginning in 2008. While employees understood the financial difficulties the company had faced, many of them felt undervalued for the work they were performing. In order to improve employee morale, my goal was to re-implement raises.

After convincing the practice manager to give all our employees a small raise to help them see that things were changing, I then began work on developing a program that would

correctly incentivize employees to improve their skills and abilities. Key to this program was specifically outlining the job expectations and opportunities for continuing education for each type of employee. Another problem that needed to be addressed was wage comparisons; many employees would compare their wage to the wages of coworkers. The new system would include four distinct wage levels that were directly correlated to performance, and employees' wages would be contingent on the level at which they performed. A third important factor was a timeline that let employees know when they would be eligible for a raise. This would also provide the management team with a solid foundation for employee reviews, which could focus on how an employee was improving (or not) in the work they performed.

Convincing my supervisor that raises were not only deserved but necessary to keep the great employees who were working at the clinic was a very important part of my internship. In addition to the tact I had to develop to be able to discuss employee salaries with my practice manager, I also had to have a strong working relationship with employees before they would tell me what their biggest frustrations were with the company. By combining the needs of employees and the employer, I have been able to develop a system that both incentivizes employees while helping them develop the skills they need to remain effective in the ever-changing medical field. This aspect of my internship has also helped my supervisor recognize the importance of maintaining a close relationship with employees. Employees now feel more comfortable discussing their concerns because they see that management is making efforts to address problems.

## **Conclusion**

The impact my internship had on PetsFirst! Wellness Center is most evident in the procedures that have been adopted long-term by the business. The wellness plans I created as a method to

increase client compliance while mitigating clients' concerns about cost continue to be an effective tool for the clinic. Additionally, the PetsFirst! management team now has scheduled, monthly meetings where finances, protocols, and employee problems and concerns are discussed in an open forum. Decisions can be made effectively, and all members of the management team are united in their expectations for the upcoming month. Lastly, the work I have performed on skills-based raises has provided the company with a method to adequately compensate long-term employees. The raise system also helps avoid employee perceptions of unfairness in wage disparity by providing standardized wage levels contingent upon specific expectations for performance. Because of my ability to efficiently manage new programs for client incentives, cost management, and human resources management, I was hired as a manager at PetsFirst! Wellness Center at the conclusion of my internship.